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## Japan

### Market Development Reports

#### Food Business Line

*Periodic Press Translations from ATO Tokyo*

**2002**

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**Report Highlights:** A summary of current news reports in America's largest food and agricultural export market as translated from Japan's mass media and food press. This issue includes: Ito-Yokado reports first increase in profits in six years; McDonald's Japan ends half-price hamburger campaign; Snow Brand announces plans to seek outside investment and sell off divisions of its compromised subsidiary; average monthly consumer spending declines for fourth consecutive year in 2001; Japanese poultry imports increase dramatically in 2001 due to growth from China; and Northeastern U.S. states increase export promotion in Japan and Asia.

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Includes PSD changes: No  
Includes Trade Matrix: No  
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## Food Business Line

Periodic Press Translations from ATO Tokyo

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### Retail/Wholesale

- *Ito-Yokado's* operating profit in 2001 is estimated at 29.5 billion yen (approximately \$227 million), an 82% increase compared to 2000. It is the first increase in six years. (a 1/31)
- *Aeon* (formerly JUSCO) is currently negotiating with *Kotobukiya*, the largest supermarket in the Kyushu region which recently filed for restructuring under bankruptcy protection, to purchase 30 of *Kotobukiya's* "Kurashi-kan" (Life House) food supermarkets. (a 2/3)

### Food Service

- Due to the severe economic situation, such as the weakening yen and the detection of BSE in Japan, *McDonald's Japan* announced on January 29 it will end its weekday half-price hamburger sales campaign. *McDonald's* plans to fix the price of a hamburger at 80 yen beginning February 14. (a 1/30)
- *Wako* and *Kobayashi Jimusho* announced plans for cooperation in the areas of new store strategy and procurement. *Kobayashi Jimusho*, which owns the modern-style "An" Japanese food restaurant chain, plans to expand the number of its stores by taking over some of *Wako's* *tonkatsu* pork cutlet outlets that are less profitable. (b 1/31)

### Food Processing/New Products/Market Trends

- *Snow Brand Foods* announced on January 25 it will suspend all its beef product sales, following its recent beef labeling scandal. The company's president also expressed his intent to take responsibility for the situation and resign. (a 1/26)
- *Snow Brand Foods* announced on January 28 that it will withdraw from the meat industry entirely, quitting not only the beef business, but also the pork and poultry businesses. (a 1/29)
- With the deepening of difficulties caused by the recent scandal of its *Snow Brand Foods* subsidiary, *Snow Brand Milk Products* announced a new reform plan on February 4. The plan includes seeking outside capital and selling off the four main divisions of *Snow Brand Foods*. (a 2/5)
- According to the Japan's General Affairs Ministry, average monthly consumer spending in 2001 declined by 0.8% compared to 2000, reflecting a reduction in spending on food and clothing. This is the fourth consecutive year of decline. (a 1/29)
- *Fancl*, a major cosmetics company known for not using additives in its products, opened its first small health food shop called "Genki net" in Tokyo on February 5. The store carries about 100 health food products, and offers a delivery service for customers with purchases over 3,000 yen. *Fancl* plans to open 5-6 directly-owned shops in the Tokyo metropolitan area this year, with the aim of expanding into a franchise chain in the future. (a 2/6)

### ATO/Cooperator/Competitor Activities/Trade Shows

- Japanese imports of prepared poultry products increased 23% by volume and 34% by value in 2001 compared to 2000. The increase was due mainly to shipments from China, which grew 21% by volume during the period. China accounts for 60 percent of Japan's prepared poultry product imports. (f 2/7)
- Northeastern states, such as Pennsylvania, New York, and New Jersey, are strengthening their export promotion activities for food and wood products in Asia. They conducted a "Northeastern U.S. State Regional Food Buying Mission" in January, and Pennsylvania's Japan Office plans to organize two more missions to Japan and Asia in March and October focused on medical products, food, and biotechnology. (c 1/28)
- The "2002 Meat Industry Exhibition Fair" will be held February 20-22 at Makuhari Messe in Chiba. It is the largest event for the meat industry, and the exhibitions range from updated information on meat processing and distribution to equipment and materials. (c 1/28)
- The U.S. Agricultural Trade Office in Tokyo held a Great American Food regional buyer showcase in Nagoya on January 22. Twenty-eight companies and 11 sample exhibitors participated in the show, introducing about 500 food items. (f 1/31)
- In cooperation with *Nisshin Flour*, the *California Raisin Administrative Committee* will hold a "California Raisin Baking Seminar" in five cities, including Tokyo and Nagoya, in February. Various recipes using California raisins will be introduced to bread making technicians. (f 2/7)

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### Sources

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|----------------------------------|---|
| (a) The Japan Economic Newspaper | (b) The Nikkei Marketing Journal        |
| (c) The Japan Food Journal       | (d) The Beverage & Food News Commentary |
| (e) The Japan Food News          | (f) The Food Industry News              |

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